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THE AGRICULTURAL SITUATION

A Brief Summary of Economic Conditions

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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CROPS PROGRESSING—WHEAT SITUATION CHANGED

The growing season is now progressing favorably over most of the country. The rains of last month brought out the pasture and range feed and gave meadows a more promising start. Nevertheless, certain of the early maturing crops are much smaller than last year. The winter wheat prospect appears to be for a short crop. The southern potato crop is estimated as a little over half that of last year. The early peach crop apparently will be the smallest in recent years.

The South, after having replanted some of its cotton, corn, and truck crops, is now showing nearly normal seasonal progress. Generally speaking, cotton has made a fairly good start, although the eastern part of the belt has begun to feel some effects of dry weather.

Wheat now begins to dominate the current crop and market situation. The world supply situation in wheat has changed greatly within a year. The surplus producing countries in the Southern Hemisphere have worked their stocks of old wheat down to a total (as of mid-May) about 75,000,000 bushels less than a year ago. While stocks in North America are around 38,000,000 bushels larger than a year ago, our probable crop of hard red winter wheat this year has been reckoned at less than 240,000,000 bushels, which would be less than half that of last season; and it is this class of wheat which comprises our chief exports. Hard red winter is the wheat grown in the Plains territory, from South Dakota to Texas, and it is this territory which was so hard hit by drought, frost, and winds. Stocks of native wheat in Europe are reported to be unusually low.

The movement of agricultural products in trade shows, on the whole, the same sluggish tendency as characterizes many other commodities in these times. Low prices have not stimulated consumption, in many cases, as much as might be expected. For instance, the consumption of butter, cheese, and canned milk, in terms of milk equivalent, during the first four months of this year was a billion pounds less than a year ago. On the other hand, our exports of wheat and cotton in April were moderately heavy for that month.

The general level of prices received by farmers for their products has not changed greatly since the first of the year. The index number of such prices is slightly below 57, compared with pre-war 100. Prices paid by farmers for commodities bought stand at an index of about 112. The unit purchasing power of farm products is thus about half what it was before the war. Farm wages are about 94. Farm taxes are about 250. The problem of how to meet debts and fixed charges grows ever more acute.

THE WHEAT SITUATION

The increasing stability in world wheat markets during recent months reflects the fundamental improvement through continued liberal world shipments and the gradual absorption of surplus stocks into consuming channels. World wheat shipments during the first nine months of the crop year were above those of the corresponding periods of the past two years. Most of this increased movement has been accounted for in the heavier clearances from Southern Hemisphere ports, with shipments from the lower Danubian countries also registering a gain over those of a year ago.

North America continues to show a decline in her share of the world trade, both in volume and in the percentage of the world total. Direct shipments of wheat and flour from North American ports for the period, August through April, comprised only 40 per cent of the total world shipments for this period as against 44.5 per cent for the corresponding period a year ago. South American shipments were nearly as large as the North American movement and showed a gain both in the volume of shipments and in the percentage of the world total.

Russian exports were smaller than for the corresponding period a year ago, while a feature of the international trade during recent weeks has been the Russian purchase of Canadian wheat for shipment from Vancouver to Vladivostok.

The persistent world-wide economic depression continues to be a disturbing element in world wheat markets. Financial difficulties which first became prominent as market factors during the late summer months of 1931 and were further aggravated by the departure of Great Britain from the gold standard and the subsequent readjustments of currency and credit in other areas have continued to play an important rôle in the world wheat trade. Importing countries have resorted to various protective measures to improve domestic conditions.

Germany has a general tariff of 1.62% per bushel on imported wheat and requires millers to use 97 per cent of domestic wheat, except under a special provision whereby 30 per cent of foreign wheat may be used when imported at a reduced tariff rate of 1.16%. France has a minimum tariff duty, to which United States wheat is subject, of 85¼ cents per bushel and a maximum duty of \$1.70½ per bushel; and permits only 40 per cent of foreign wheat in milling mixtures. The Italian wheat duty is \$1.07% per bushel and recently revised milling regulations permit 95 per cent of imported bread wheat to be used in milling in southern districts and 75 per cent foreign in northern and central areas, effective May 27, 1932. During the period July, 1931, through January, 1932, Italian millers were only allowed to use 5 per cent of imported wheat in milling mixtures. The effectiveness of these measures in maintaining high domestic prices is apparent in prices of good milling native wheat which was quoted May 20 at Hamburg, Germany, at \$1.82½ per bushel; at Paris, France, at \$1.80½; and at Milan, Italy, at \$1.70½ per bushel.

Disappearance of wheat throughout the world, for the season to date, apparently has been about up to normal, despite the efforts of importing countries to reduce takings of foreign wheat. Consumption in Europe apparently has been kept to the minimum through the

influence of relatively high domestic prices but even this has not greatly decreased the amount of wheat used, since native stocks appear lower than a year ago and the increase of around 80,000,000 bushels in the supply for the season has been only partially offset by smaller imports of foreign wheat. A little less wheat has been used in the North American countries, but this reduction may easily have been counterbalanced by increased consumption in other areas such as the oriental countries, which have taken exceptionally large amounts of wheat during the current year. The absorption of surplus supplies into consuming channels has reduced world stocks of wheat from the high peaks reached earlier in the season and below those of a year ago.

Stocks in surplus areas, although still large, are materially under those of a year ago, with most of the accumulation in the United States, where increases in holdings largely offset the reductions in other areas. North American stocks at the middle of May, including bonded wheat and reported flour stocks in the United States and Canada, were around 38,000,000 bushels greater than at the same date last year. Southern Hemisphere supplies were around 75,000,000 bushels under those of a year earlier and stocks afloat on ocean passage were about 3,000,000 bushels above those of a year ago. Stocks of native wheat in European countries are reported to be unusually low and port stocks are also under those of last season, with increases in the United Kingdom, French, Italian, and German ports offset by reductions in ports of the important transshipment areas in Belgium and in the Netherlands. Supplies of wheat still on hand, however, appear sufficiently large to provide for consumption requirements during the remaining months of the year and to leave a substantial balance of old wheat in exporting countries on August 1.

Ocean freight rates for grain, although showing moderate gains during recent weeks, were still low at the beginning of May and well under corresponding rates of the same date a year ago. The general freight situation continues dull with the volume of trade very light. The continued relatively heavy world movement of wheat and flour in international trade with its firming influence on freight rates has had an important steadying influence on the general economic situation.

Wheat prices during recent months in leading world markets have displayed only moderate fluctuations and have shown a stubborn resistance to further price declines. Fundamental conditions influencing prices have improved with the continued liberal world shipments and the subsequent reduction in surplus stocks. With prospects for the new crop becoming more clearly defined as the season advances, markets are becoming more sensitive to changing crop conditions.

Prospects for the winter wheat crop throughout the world are only fair. The marked reduction indicated in the United States winter wheat outturn is probably the most important single factor in the situation. This, however, has been partially offset by less winter-killing in Europe than earlier reports indicated and by fairly favorable conditions in important European winter-wheat areas. India has harvested a crop a little larger than last year and the North African outturn also shows a slight gain over that of a year ago.

Seeding of spring wheat has been delayed throughout all the spring wheat areas. In North America, seeding is finished in the United

States areas and is almost completed in Canada, and although relatively late, germination has been regular and moisture conditions better than for several years. Russian seeding is behind that of last season and much later than in 1930, when the record crop was harvested. Field work in Russia, however, is making rapid progress, and on May 10 some 32,536,000 acres had been seeded, which was about one-half of the acreage planned.

G. E. CANTRELL,
Division of Hay, Feed, and Seed.

REDUCTION IN WINTER-WHEAT CROP LARGELY IN HARD RED WINTER WHEAT

The crop of 441,000,000 bushels of winter wheat, in the United States, indicated by the May 1 conditions is 347,000,000 bushels less than produced in 1931 and 21 per cent less than the average crop of recent years. It is significant that most of the reduction in the 1932 crop will come in hard red winter wheat, of which there has been the largest surplus during the last few years. The calculation of indicated production, by kinds, indicates that there will be approximately 238,000,000 bushels of hard red winter wheat this year.

Hard red winter wheat is grown largely in the Great Plains area, from South Dakota and Montana south to Texas and New Mexico, although considerable quantities are also grown in Illinois and Washington. In 1931 production of this class was 493,000,000 bushels; in 1930 it was 376,000,000 bushels; in 1929 it was 362,000,000 bushels. The forecast for 1932, therefore, is 35 per cent below the average of 1929 and 1930 which were both good crops, and less than one-half the bumper crop of 1931. This class of wheat has been the main source of exports in recent years and the very short crop should do much to relieve the pressure of the supply on the export market.

Soft red winter wheat is used largely in the manufacture of biscuit flour, etc., and to some extent for blending with hard red winter or hard spring wheat for bread flour. The indicated production for 1932 is 157,000,000 bushels. In 1931 some 248,000,000 bushels of this class of wheat were produced; 175,000,000 bushels in 1930, and 166,000,000 bushels in 1929. The present forecast, therefore, is much less than the bumper crop of 1931, but only about 2 per cent less than the average of the two years, 1929 and 1930, years of good-sized crops.

For the white winter wheats, grown largely in the Pacific Coast States, indicated production is 46,500,000 bushels, about the same as the 1931 production and 6 per cent less than the average of the two years, 1929 and 1930.

The very great reduction in the prospect for hard red winter wheat is due to a combination of weather factors. During fall seeding and growing season there was a lack of sufficient rainfall in the Great Plains area. This was followed by winter and early spring damage from high winds and dust storms. In addition, wheat was subjected to severe freezing weather early in March, which was responsible for much abandonment of wheat that had survived up to that time. The freezing weather adversely affected wheat even as far south as Texas.

Over much of the Great Plains area ample rainfall relieved conditions toward the close of April, probably putting a stop to further abandonment, a condition which up to that time had been steadily growing worse.

JOSEPH A. BECKER,
Division of Crop and Livestock Estimates.

THE POSTWAR TREND IN UNITED STATES WHEAT EXPORTS

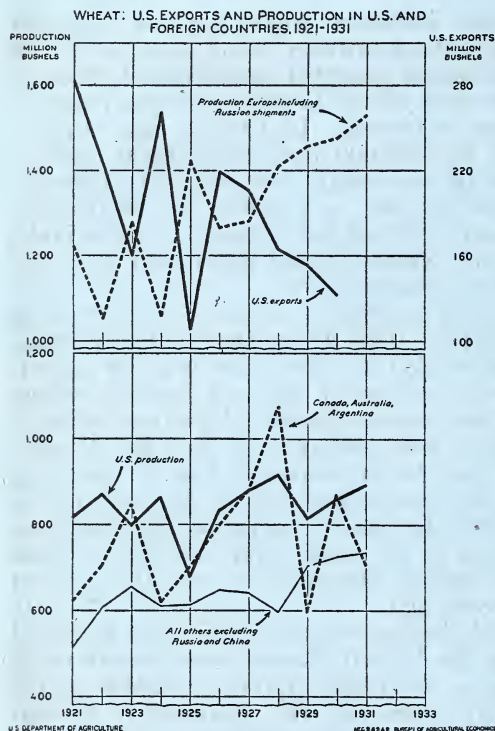
The numerous factors which influence wheat exports from the United States have brought about a downward trend since the World War. In 1920-21 the United States exported 369,000,000 bushels of wheat as grain and flour. The next year of large exports was 1924-25, when 261,000,000 bushels were exported. In 1926-27 and 1927-28 wheat exports amounted to 219,000,000 and 206,000,000 bushels, respectively. In the years of relatively low exports, 1923-24, 1925-26, 1929-30, and 1930-31, they amounted to 160,000,000, 108,000,000, 153,000,000, and 132,000,000 bushels, respectively. In the current season, 1931-32, wheat exports have been at a rate only slightly higher than in the preceding year.

While the quantity of exports declined from the relatively large volume of 369,000,000 bushels in 1920-21 to the relatively small volume of 132,000,000 bushels in 1930-31, the value of these exports declined much more, due to the additional factor of declining wheat prices during a good part of the postwar period. The total value of wheat exports in 1920-21 was \$844,000,000, but in 1930-31 only \$118,000,000. Wheat now contributes relatively less to our total agricultural exports than it did immediately after the war; in the three seasons immediately after the war the value of wheat exports represented around 25 per cent of the total value, but in the three seasons ending with 1930-31 wheat contributed only 13 per cent or about half as much as a decade ago.

An adequate explanation of the year-to-year variations in wheat and wheat-flour exports from the United States since the war needs to deal with such influences as the large supplies available in the United States immediately after the war, the shortages in Europe and other countries due to the war, the increasing supplies in more recent years in Europe as well as in exporting countries in the Western Hemisphere, preferential arrangements between importing and exporting countries, price relations between the different producing and consuming areas, short-time changes in foreign consumer demand, and in the past two seasons the accumulation of stocks in the United States and the altered relations between prices in the United States and foreign countries which have accompanied the efforts at grain stabilization.

The accompanying chart presents only one of these several important elements in the trend of wheat exports from the United States, namely, the course of production since 1921, (1) in the United States, (2) in Canada, Australia, and Argentina, (3) in Europe, and (4) in all other countries, excluding Russia and China. Partly for convenience in presenting these data graphically, the exports data are plotted superimposed over the production data for Europe, where a large part of our exports is consumed. While the course of United

States exports since 1921 shows a more consistent relation to production in Europe (including Russian shipments) than to production in the United States or the production in the other groups of countries, the supply conditions outside of Europe need also to be taken into account. Thus it will be seen that the United States exported more in 1922 and 1924 than in 1923, and that the production in the United States was greater in 1922 and 1924 than in 1923. In these two years of our large exports, 1922 and 1924, the combined production of Canada and Australia, Argentina, and of Europe was relatively small. In 1925, the year of smallest exports, the United States production was light, Europe had a large crop, and the Western Hemisphere countries had a production larger than that of 1924. In 1928, when the United States had a large crop, the decline in exports coincided with another large crop in Europe and a record supply in the three Western Hemisphere countries. The large crops of 1928 gave rise to an accumulation of stocks which have since then increased as production in Europe and in the group of countries included in "all other excluding Russia and China" expanded. The decline in exports since 1928 which accompanied the foreign expansion in production should also be considered in relation to the holding



of wheat in the United States and the bearing of these on the altered export price margins, shown below.

During the postwar period the trend in United States exports of wheat has been downward. Their year-to-year variations reflect, among other things, changes in production in the United States and in other Western Hemisphere countries, withholding of supplies from the export markets, as well as the increasing production in Europe.

The export value of wheat per bushel has, of course, varied with the world price of wheat, but there has been some variation in the relation between them, particularly in the past three seasons. As shown in the following table, the value per bushel of wheat exported from the United States during the period fluctuated between 6 and 24 cents per bushel below the price of wheat imported into Great Britain, but in

1930, when grain stabilization operations were conducted in the United States, the export value of United States wheat was 10 cents greater than the price in England.

	Export value per bushel of wheat exported from the United States	Average price in Great Britain (British parcels)	Difference, United States export value less British parcels		Export value per bushel of wheat exported from the United States	Average price in Great Britain (British parcels)	Difference, United States export value less British parcels
	<i>Cents per bushel</i>	<i>Cents per bushel</i>			<i>Cents per bushel</i>	<i>Cents per bushel</i>	
1922-23--	123	136	-13	1927-28--	140	154	-14
1923-24--	110	121	-11	1928-29--	121	129	-8
1924-25--	155	179	-24	1929-30--	125	131	-6
1925-26--	155	170	-15	1930-31--	90	80	+10
1926-27--	145	164	-19				

L. H. BEAN,

Division of Statistical and Historical Research.

THE FRUIT AND VEGETABLE SITUATION

With the 1931-32 season for apples and old potatoes drawing to a close and shipments of grapefruit and lettuce decreasing, the total movement of fruits and vegetables during the third week of May registered a reduction. Combined shipments were about 2,500 cars daily.

Nearly all products were selling at very moderate price levels and the general price trend was downward. Exceptions to this rule were seen for citrus fruits and tomatoes. The season for cantaloupes and watermelons was opening considerably lower than that of last year.

General prospects are for an abundance of most crops again this year with a few exceptions, such as early new potatoes and peaches. The early peach crop probably will be the smallest in many seasons.

FRUITS AND MELONS MOVING

Apples.—Holdings of apples were being well cleaned up by the latter part of May, and shipments of the new crop were expected to start soon. Movement was down to less than 75 cars daily.

The May 1 report of commercial cold-storage holdings of apples showed 169,000 barrels, 3,393,000 boxes, and 1,271,000 bushel baskets on hand. Total holdings under refrigeration were equivalent to 1,724,000 barrels, which is 15 per cent more than the holdings of a year ago and 23 per cent above the 5-year average for this month. Supplies in barrels were 97 per cent heavier than last May but were 45 per cent below the average figure. Boxed apples under refrigeration were 8 per cent less plentiful than a year ago but 25 per cent above average. About three-fourths of the boxed apples were still in Pacific coast storages. Supplies of apples in bushel baskets were heavy, being 123 per cent greater than those of May 1, 1931, and 118 per cent more than the 5-year average figure.

Final f. o. b. reports for the 1931-32 season showed a disappointing weakness in the market. Best Baldwins in western New York were returning only \$1.15 to \$1.20 per bushel tub, with some sales as low as 90 cents. The Pacific Northwest reported Extra Fancy, medium to large Winesaps, at 60 to 65 cents per box.

In general, crop prospects for the coming season appear to be favorable in the Pacific Northwest and in many other parts of the country. Rather heavy cargoes of northwestern apples were shipped to France during May, as the French decree prohibiting entrance of apples affected with San Jose scale does not hinder the imports of northwestern fruit. Less than 3,000 carloads remained on May 1 in the two leading districts of Washington.

Citrus fruits.—Although movement of grapefruit was slightly greater than it had been in California and Arizona, the shipments from Florida were down to 20 cars per day and were much lighter than a year ago. A good demand was reported from export markets. Prices on city auctions of the United States were advancing, with Florida fruit recently averaging more than \$3 per box.

Oranges shipments were still very active and had increased during mid-May to nearly 300 cars daily, more than two-thirds of which came from California and the remainder from Florida. Markets for oranges did not show quite as much strength as those for grapefruit, in spite of the fact that supplies of oranges are one-fourth lighter than a year ago. Recent terminal auction prices were around an average of \$3.65 per box of Florida fruit.

Cantaloupes were moving from Imperial Valley, Calif., at the rate of 150 cars daily by May 20, the first car of the season having been shipped on May 1, or considerably later than last year. Light arrivals also were coming from Mexico. Imperial Valley expects a crop of 8,189,000 crates of cantaloupes and similar melons, or 4 per cent more than last season.

Peaches.—On May 1 the early peach crop in 10 Southern States showed a slightly higher condition than the month before. General average for all the States was 34 per cent of normal, compared with 71 per cent a year ago. Assuming average conditions from now until harvest time, a crop of 8,600,000 bushels of early peaches is in prospect, which would be the smallest crop in those States in recent years. Last season the 10 States had 22,660,000 bushels of peaches, and their 5-year average is about 18,000,000. Earliest shipments from Georgia will soon be due. Georgia expects only 3,150,000 bushels this year, as against 9,134,000 in 1931. The Carolinas may have a combined crop of 3,100,000 bushels, compared with almost 5,000,000 last year.

Strawberry production in nine intermediate States is forecast at 3,488,000 crates of 24 quarts, or 56 per cent more than last year. All these States show great increases, with heaviest production expected in Missouri. First peak of shipments occurred during early May, but a second peak is expected around June 1. Shipments were recently averaging close to 250 cars daily. The Central States have been very active, but movement was becoming heavy farther north and east.

The Louisiana berry season was disappointing. Only about 2,600 cars were shipped, compared with 4,720 cars in 1931. The value of these cars at Louisiana shipping points was scarcely \$3,000,000, as

against a value of \$8,000,000 on the crop of last year. During late May shippers in Missouri were receiving \$3.20 to \$3.50 cash per 24-quart crate of Aromas. Sales of other varieties in North Carolina were returning the growers \$2 to \$4.20 per crate of 32 quarts. Prices have been considerably lower than a year ago, and city-market values are very moderate.

Watermelon movement from Florida had increased to about 20 cars per day by May 20. Cuba and Mexico were shipping a few carloads to the United States. The season in Imperial Valley of California was late in getting started. This year's production in Florida is forecast at 8,490,000 melons, compared with 10,230,000 last season. Imperial Valley may have 6,650,000 melons, or only slightly more than in 1931. Cash-track sales were being made in Leesburg district of Florida at \$250 to \$575 per carload. Planted and intended acreage in the second-early and late States is practically the same as last season.

VEGETABLES SELLING MOSTLY LOWER

Potatoes.—Prices of both new and old potatoes were firm until about May 1, but since that date the market has rapidly declined. Because of the light available supplies, Florida stock had been returning as much as \$7.50 per barrel at shipping points, but the season closed considerably lower. Movement during mid-May was active from the Gulf States, and the season was getting under way in the Carolinas and Oklahoma.

Total output of new potatoes had slowly increased to 150 or more cars daily, but was still light, compared with a year ago. The 100-pound sacks of Bliss Triumphs were returning \$2.25 at shipping points in southern Texas and Alabama. Very heavy rain had hindered Alabama digging and shipments during the third week of May. The f. o. b. market in Louisiana was \$2.65 to \$2.75. Prices of new potatoes were fully double those of last spring. City dealers were getting \$5 to \$7.75 per barrel of Florida Spaulding Rose, or \$2.75 to \$3.60 per 100-pound sack of southern Bliss Triumphs.

Condition of the early potato crop in 10 Southern States improved during April, and at the opening of May the average was 70 per cent of normal, compared with nearly 79 per cent a year ago. Commercial production in seven of the earliest States, not counting Florida or the lower Valley of Texas, is forecast at 7,435,000 bushels, compared with 12,803,000 last year.

Forwardings of old potatoes had decreased to a daily average of 400 cars but were much heavier than a year ago. Western New York Round Whites were returning 70 cents per 100 pounds to shippers in that State, while Green Mountains sold at the low range of 38 to 40 cents in northern Maine. Michigan f. o. b. market was down to 63 to 67 cents, and shippers in Wisconsin received only 58 to 60 cents per 100 pounds. The Chicago car-lot market reported a range of 75 to 85 cents on northern Round Whites, while Idaho Russet Burbanks were down to \$1.15 to \$1.30. Prices of old potatoes were far below those of last spring.

Cabbage markets were rather weak during late May. Many States were moving this crop and shipments were active as far north as Virginia. Nearly 100 cars per day were moving. Shippers in the

Corpus Christi district of Texas were receiving only \$30 to \$35 per ton bulk or \$1.65 per western lettuce crate. The 100-pound crates and lettuce crates in central Mississippi returned \$2.50 to \$3. Terminal market values of most cabbage were tending downward. Acreage in the intermediate shipping States and domestic plantings in the late States are expected to be only slightly lighter than last year.

Onions had declined to a very low price level during peak of movement from southern Texas. Later they strengthened considerably, and then dropped back again. Around May 20, the f. o. b. range in the Coastal Bend district of Texas was 55 to 75 cents per 50-pound sack of commercial grade Yellow Bermudas or Crystal Wax onions. Movement from Texas was still averaging 100 cars per day, and a considerable number of cars was coming from Louisiana and southern and central California. Late May movement was heavier than that of a year ago, and the season total to date from Texas was running one-fourth greater than output to the same time last season. Imports from Egypt and South America had decreased to a low figure.

Lettuce acreage this season is expected to show a considerable increase in New York, Colorado, and California. The first group of five late-shipping States reported intentions to plant 28,280 acres, which is 15 per cent more than in 1931 and the heaviest acreage in many seasons. Shipments from central California were decreasing, and total from that State during late May was only 100 cars daily. Movement was starting in Washington.

Tomatoes were stronger in the Belle Grade district of Florida as the season there neared an end. Lug boxes were returning \$1.25 to \$2.25 cash, compared with sales on a usual terms basis in the Rio Grande Valley of Texas at \$2 to \$2.25. Florida shipments had decreased to 40 cars per day, and southern Texas increased to 25 cars daily, with many more yet to come. The season was soon expected to open in eastern Texas and central Mississippi. Imperial Valley and southern California were also becoming active. However, the total movement of domestic tomatoes in late May was scarcely half that of a year ago. Arrivals from Mexico had been very heavy, but that movement also was approaching its end, with recent receipts only 40 cars per day.

PAUL FROELICH,
Division of Fruits and Vegetables.

THE EGG AND POULTRY MARKETS SITUATION

The most active demand during May centered around eggs of the cheaper grades, in some cases leaving a surplus of the better eggs in the hands of receivers. This made considerable storage of this stock necessary.

Total cold-storage stocks of eggs on May 1, amounted to 2,980,000 cases compared with 5,162,000 cases on May 1 last year and 4,979,000 cases for the 5-year average. Since May 1, stocks have displayed a tendency to increase at a slightly more rapid rate than previous to that date, although not equaling the movement of the corresponding period last year. On the whole, however, recent developments in the business world, the failure of the expected seasonal improvement in industry to materialize, have offset very largely the stabilizing

effects of the smaller stocks and the trade continues to move cautiously. A favorable element in the situation is that a larger proportion than common of the eggs that have gone into storage this year have been of the better grades and that the trade has been adverse to storing eggs of low quality, preferring to move them into immediate use. Some encouragement is also being derived from further reductions in the size of farm laying flocks and that the number of baby chicks being hatched by commercial hatcheries is running considerably under last year.

The trend of the poultry markets for the past month has been easy to weak. Receipts of fresh-killed, dressed stock at the four markets for the first three weeks in May were about 5 per cent less than a year earlier, but considerable pressure was necessary to promote sales.

Trading in frozen poultry was in slightly larger volume than a year ago. Dealers are inclined as a rule to reduce stocks as rapidly as possible, even to the point of foregoing some possible profit or accepting a loss rather than to risk being caught with large stocks on hand later in the season. Total stocks of frozen poultry on May 1 amounted to 56,586,000 pounds compared to 45,920,000 pounds on May 1 last year and 62,071,000 pounds for the 5-year average. Stocks of broilers were about 1,200,000 pounds larger than the stocks a year earlier, but about 1,000,000 pounds less than the 5-year average.

At the present moment, the market on both live and dressed poultry is weak and irregular. Owners of frozen poultry are anxious to clean up stocks as soon as possible, and there is a general belief that the receipts of poultry of all classes will show the usual seasonal increase, but there is considerable doubt as to the prospective quality.

B. H. BENNETT,
Division of Dairy and Poultry Products.

THE DAIRY MARKETS

The dairy production situation has changed considerably since a month ago. Even then there was some evidence that the rate of butter production, which during the early part of the year had consistently exceeded that of 1931, was dropping, and reports now available confirm this. The estimate of April creamery butter production shows not only a decrease below April of last year, amounting to 5 per cent, but reveals also that the increase over March was only 7 per cent, compared with an average increase of about 12 per cent. While other manufactured dairy products have fallen off, so much of the surplus milk production has been diverted into butter that during the first quarter of 1932 all manufactured products, combined on a milk-equivalent basis, just about equaled the production of this same period last year.

The decline in the seasonal rate of production which has occurred the past few weeks reflects a late season and short feed and probably also the continued low-price situation. Butterfat prices are exceedingly low everywhere and purchases of feed are held to a minimum. Unless supplies of home-grown feeds are available, lower production is bound to result. Pastures are now in use and reports indicate that

some improvement occurred during May, although the report for May 1 showed an abnormally low condition.

Present butter prices are the lowest they have been at this season of the year since 1900. The margin under last year, which was 6 cents in April, has been running about 4 cents in May. Throughout May there was a definite downward trend. The low butter market has exerted an important influence on other products. Cheese remains at 9 to 10 cents per pound at Wisconsin country points, which is suggestive of the low prices cheese factory patrons must be receiving for milk. Prices paid producers in May by condenseries in the more important producing sections averaged 86 cents per hundredweight, which is also the average price for all sections. In April the average condensery price was 93 cents, and a year ago it was \$1.12. In areas which supply cities with milk, some further drops were recorded last month. Dealers' buying prices for milk used in city trade average \$1.71 per hundredweight, compared with \$1.76 in April and \$2.16 in May, 1931. Retail prices have also been reduced in several additional important cities during the month.

One of the most discouraging features of the immediate situation is that at the low prices which now prevail, consumption has not increased. In April the apparent consumption of butter is estimated to have been 5 per cent below April, 1931, and cheese 13 per cent below. In March there was a somewhat similar situation, and the result is that there has been an apparent drop in consumption up to May 1 this year of about 24,000,000 pounds of butter and 23,000,000 pounds in cheese. Combining these with canned milk the total decrease in terms of milk represents about a billion pounds. The corresponding decline in production of the same products amounts to only about a fourth of a billion pounds. In terms of percentages, the consumption drop is 5.1 per cent, while the production drop is but 1.3 per cent.

The coming storing season should afford some relief to the whole dairy market situation, but storage operations are harder to handle this year, as banks and warehouses are more conservative regarding loans than they have been in the past. June is perhaps the most important storage month, on account of favorable production condition which make for a product best suited for storing purposes. There should be a better idea of the season's probable low price before June is over and this will make dealers more willing to assume storage risks. Uncertainty as to prices is making many operators hesitant just now. The only suggestion of what prices may do in the fall is the futures market at Chicago and at present November options on storage butter are selling at 18½ cents per pound, which is less than 2 cents above the June options for fresh butter of the same grade.

May 1 stocks of butter in cold storage were 10,350,000 pounds, compared with 17,195,000 pounds last year, and a 5-year average of 10,916,000 pounds. Cheese and canned milk stocks are also much lower than a year ago. Total stocks of all manufactured dairy products in storage or in manufacturers' hands May 1 amounted to the equivalent of a billion pounds of milk, compared with a billion and a half pounds on May 1, 1931. This is a supporting factor, as it indicates a relatively light carryover into the new season.

L. M. DAVIS,
Division of Dairy and Poultry Products, B. A. E.

PRICES OF FARM PRODUCTS

Actual prices received by producers at local farm markets as reported to the division of crop and livestock estimates of this bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

Product	5-year average, August, 1909- July, 1914	May average, 1910- 1914	May, 1931	April, 1932	May, 1932
Cotton, per pound.....cents--	12. 4	12. 7	8. 8	5. 7	5. 2
Corn, per bushel.....do-----	64. 2	66. 2	56. 3	31. 4	30. 2
Wheat, per bushel.....do-----	88. 4	90. 3	59. 9	43. 1	42. 4
Hay, per ton.....dollars----	11. 87	12. 28	10. 54	8. 74	8. 48
Potatoes, per bushel.....cents--	69. 7	69. 5	87. 0	46. 4	47. 0
Oats, per bushel.....do-----	39. 9	41. 5	28. 6	22. 8	21. 8
Beef cattle, per 100 pounds -----dollars----	5. 20	5. 50	5. 67	4. 19	3. 91
Hogs, per 100 pounds.....do-----	7. 24	7. 23	6. 35	3. 58	2. 96
Eggs, per dozen.....cents----	21. 5	16. 7	13. 3	10. 2	10. 3
Butter, per pound.....do-----	25. 5	24. 1	25. 9	21. 9	20. 2
Butterfat, per pound.....do-----			21. 2	17. 8	16. 4
Wool, per pound.....do-----	17. 8	17. 8	14. 4	11. 1	9. 0
Veal calves, per 100 pounds -----dollars----	6. 75	6. 59	7. 15	5. 04	4. 67
Lambs, per 100 pounds.....do-----	5. 90	6. 46	6. 96	5. 13	4. 78
Horses, each.....do-----	142. 00	144. 00	69. 00	63. 00	62. 00

COLD-STORAGE SITUATION

[May 1 holdings, shows nearest millions, i. e., 000,000 omitted]

Commodity	5-year average	Year ago	Month ago	May 1, 1932
Apples, total.....barrels----	¹ 1, 407	¹ 1, 504	¹ 3, 243	¹ 1, 724
Frozen and preserved fruits.....pounds----	41	57	78	72
40 per cent cream.....40-quart cans----		¹ 142	¹ 50	¹ 88
20 per cent cream.....do-----		¹ 9		
Creamery butter.....pounds----	11	17	9	10
American cheese.....do-----	40	45	42	39
Frozen eggs.....do-----	65	92	69	82
Case eggs.....cases----	¹ 4, 979	¹ 5, 162	¹ 700	¹ 2, 980
Total poultry.....pounds----	62	46	75	57
Total beef.....do-----	63	53	46	41
Total pork.....do-----	847	868	792	797
Lard.....do-----	132	96	106	111
Lamb and mutton, frozen.....do-----	3	3	1	1
Total meats.....do-----	989	1, 005	906	899

¹ Three ciphers omitted.

GENERAL TREND OF PRICES AND WAGES

[1910-1914=100]

Year and month	Whole-sale prices of all commodities ¹	Industrial wages ²	Prices paid by farmers for commodities used in—			Farm wages	Taxes ³
			Living	Production	Living production		
1910-----	103	-----	98	98	98	97	-----
1911-----	95	-----	100	103	101	97	-----
1912-----	101	-----	101	98	100	101	-----
1913-----	102	-----	100	102	100	104	-----
1914-----	99	-----	102	99	101	101	100
1915-----	102	101	107	103	106	102	102
1916-----	125	114	125	121	123	112	104
1917-----	172	129	148	152	150	140	106
1918-----	192	160	180	176	178	176	118
1919-----	202	185	214	192	205	206	130
1920-----	225	222	227	175	206	239	155
1921-----	142	203	165	142	156	150	217
1922-----	141	197	160	140	152	146	232
1923-----	147	214	161	142	153	166	246
1924-----	143	218	162	143	154	166	249
1925-----	151	223	165	149	159	168	250
1926-----	146	229	164	144	156	171	253
1927-----	139	231	161	144	154	170	258
1928-----	141	232	162	146	156	169	263
1929-----	139	236	160	146	155	170	267
1930-----	126	226	151	140	146	152	266
1931-----	107	207	129	122	126	116	-----
April—1921-----	144	206	-----	-----	-----	-----	-----
1922-----	136	190	-----	-----	-----	-----	-----
1923-----	152	213	163	142	154	148	-----
1924-----	142	218	162	142	154	163	-----
1925-----	149	218	166	150	160	163	-----
1926-----	146	227	164	144	156	166	-----
1927-----	137	230	-----	-----	154	166	-----
1928-----	141	227	-----	-----	156	166	-----
1929-----	139	237	-----	-----	155	167	-----
1930-----	131	231	-----	-----	150	162	-----
1931-----	109	215	-----	-----	132	127	-----
1931-----	-----	-----	-----	-----	-----	-----	-----
November-----	102	196	-----	-----	120	-----	-----
December-----	100	194	121	116	119	-----	-----
1932-----	-----	-----	-----	-----	-----	-----	-----
January-----	98	191	-----	-----	118	98	-----
February-----	97	189	-----	-----	116	-----	-----
March-----	96	189	115	112	114	-----	-----
April-----	96	183	-----	-----	⁴ 113	94	-----

¹ Bureau of Labor Statistics. Index obtained by dividing the new series, 1926=100, by its pre-war average, 1910-1914, 68.5.

² Average weekly earnings, New York State factories. June, 1914=100.

³ Index of estimate of total taxes paid on all farm property, 1914=100.

⁴ Preliminary.

GENERAL TREND OF PRICES AND PURCHASING POWER

[On 5-year base, August, 1909-July, 1914=100]

Year and month	Index numbers of farm prices							Prices paid by farmers for commodities bought ¹	Ratio of prices received to prices paid
	Grains	Fruits and vegetables	Cotton and cotton-seed	Meat animals	Dairy products	Poultry products	All groups		
1910-----	104	91	113	103	100	104	103	98	106
1911-----	96	106	101	87	97	91	95	101	93
1912-----	106	110	87	95	103	101	99	100	99
1913-----	92	92	97	108	100	101	100	100	99
1914-----	103	100	85	112	100	105	102	101	101
1915-----	120	83	78	104	98	103	100	106	95
1916-----	126	123	119	120	102	116	117	123	95
1917-----	217	202	187	173	125	157	176	150	118
1918-----	226	162	245	202	152	185	200	178	112
1919-----	231	189	247	206	173	206	209	205	102
1920-----	231	249	248	173	188	222	205	206	99
1921-----	112	148	101	108	148	161	116	156	75
1922-----	105	152	156	113	134	139	124	152	81
1923-----	114	136	216	106	148	145	135	153	88
1924-----	129	124	211	109	134	147	134	154	87
1925-----	156	160	177	139	137	161	147	159	92
1926-----	129	189	122	146	136	156	136	156	87
1927-----	128	155	128	139	138	141	131	154	85
1928-----	130	146	152	150	140	150	139	156	90
1929-----	121	136	145	156	140	159	138	155	89
1930-----	100	158	102	134	123	126	117	146	80
1931-----	63	98	63	93	94	96	80	126	63
May-----	51	111	111	111	111	111	111	111	111
1921-----	116	132	78	111	141	111	112	-----	-----
1922-----	115	206	144	119	126	114	127	-----	-----
1923-----	123	157	211	108	142	117	135	155	87
1924-----	114	132	122	107	128	109	129	154	84
1925-----	159	162	184	139	132	131	146	160	91
1926-----	131	240	130	148	130	135	139	156	89
1927-----	127	158	113	137	136	112	126	154	82
1928-----	160	181	166	151	136	128	148	156	95
1929-----	113	119	148	164	139	134	136	155	88
1930-----	105	193	119	142	123	110	124	150	83
1931-----	74	119	74	99	91	77	86	131	66
1931-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
November--	57	68	50	76	95	123	71	120	59
December--	52	68	45	68	92	120	66	119	55
1932-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
January----	52	70	45	68	85	87	63	118	53
February----	51	68	47	65	79	70	60	116	52
March-----	51	73	50	69	76	61	61	114	54
April-----	50	78	46	66	74	60	59	² 113	² 53
May-----	49	80	42	59	69	60	56	² 112	² 50

¹ These index numbers are based on retail prices paid by farmers for commodities used in living and production, reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.

² Preliminary.

AGRICULTURAL LOANS OUTSTANDING ¹

Year and month	Farm mortgage loans by—				Federal intermediate credit bank loans	
	Federal land banks	Joint-stock land banks	Loans of 40 life insurance companies	Member banks	To cooperative associations	To financing agencies
	<i>Millions of dollars</i>	<i>Millions of dollars</i>	<i>Millions of dollars</i>	<i>Millions of dollars</i>	<i>Thousands of dollars</i>	<i>Thousands of dollars</i>
1926-----	1, 078	632	1, 588	489	52, 704	39, 730
1927-----	1, 156	667	1, 618	478	31, 991	43, 924
1928-----	1, 194	605	1, 606	444	36, 174	45, 103
1929-----	1, 197	585	1, 591	388	26, 073	50, 018
1930-----	1, 188	553	1, 554	387	64, 377	65, 633
1931						
April-----	1, 185	540	1, 544	-----	58, 689	79, 565
May-----	1, 184	536	1, 541	-----	51, 781	79, 335
June-----	1, 182	532	1, 537	389	57, 535	79, 206
July-----	1, 179	551	1, 535	-----	57, 536	79, 509
August-----	1, 178	548	1, 533	-----	51, 479	81, 027
September--	1, 174	545	1, 530	376	49, 270	81, 121
October-----	1, 171	540	1, 527	-----	47, 027	78, 470
November--	1, 167	535	1, 523	-----	49, 141	74, 467
December--	1, 163	530	1, 512	362	45, 255	74, 613
1932						
January-----	1, 158	525	1, 512	-----	43, 070	74, 612
February-----	1, 154	520	1, 506	-----	40, 286	73, 934
March-----	1, 150	513	1, 498	-----	38, 147	74, 346
April-----	1, 146	507	-----	-----	35, 867	77, 605

SELECTED INTEREST AND DISCOUNT RATES, AND BOND YIELDS

Year and month	12 Federal land banks' rates to borrowers	Federal intermediate credit banks' loan and discount rates		Yield on Federal land bank bonds	Rates on commercial paper (4-6 months) (average)	Federal reserve bank discount rates (New York)
		<i>Loans</i>	<i>Discounts</i>			
1917-----	5. 05	-----	-----	4. 33	4. 74	4 -4½
1920-----	5. 50	-----	-----	5. 14	7. 46	4¾-7
1923-----	5. 50	5. 50	5. 50	4. 39	5. 01	4 -4½
1929-----	5. 32	5. 56	5. 61	4. 78	5. 84	4½-6
1930-----	5. 63	4. 53	4. 54	4. 70	3. 58	2½-4½
1931-----	5. 63	4. 08	4. 08	5. 34	2. 63	1½-3½
1932						
January-----	5. 63	5. 34	5. 34	5. 82	3. 88	3½
February-----	5. 63	5. 43	5. 43	5. 77	3. 88	3 -3½
March-----	5. 63	5. 44	5. 44	5. 63	3. 62	3
April-----	5. 63	5. 27	5. 27	5. 62	3. 50	3

¹ See April, 1932, issue for sources of data.